

Component 2

Customer Needs in Travel and Tourism

 Student eBook

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Component 2: Customer Needs in Travel and Tourism

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BTEC Tech Award in Travel and Tourism

Component 2: Customer Needs in Travel and Tourism

Introduction

Exactly matched to the 2022 Pearson BTEC Level1/Level 2 Tech Award in Travel and Tourism specifications, this book provides comprehensive coverage of **Component 2: Customer Needs in Travel and Tourism**. The purpose of this publication is to support students in developing their understanding of the content of the specification by explaining and expanding on the terminology used.

There is a **teacher's resource** to accompany this book – [*Customer Needs in Travel and Tourism – Student Activities and Exercises*](#), which contains comprehension exercises based on the content of the module, further research activities and 'mini assignments' to help students prepare for their internal assessment.

This resource should be used in conjunction with other materials available on the Pearson Qualifications' website, including the current specification, teachers' guide and sample assessment materials.

Covid-19

It is important to remember that since March 2020 the UK and global travel and tourism industries have been severely affected by the coronavirus pandemic, with both domestic and international travel severely restricted, resulting in drastically-changed patterns of tourism. Restrictions on travel have impacted on many travel and tourism organisations and it is unlikely that, at least in the short term, the volume of international travel will recover to pre-pandemic levels.

I hope you find this book a useful companion for your BTEC Tech Award in Travel & Tourism course and wish you well in your studies.

Bob Holland
February 2023

How to use this book

This publication covers the content of **Component 2** of the BTEC Tech Award in Travel and Tourism, with first teaching from September 2022. The component has two learning outcomes:

- A** – Demonstrate an understanding of how organisations identify customer needs and travel and tourism trends.
- B** – Recognise how the needs and preferences of travel and tourism customers are met.

This book includes the following features:

1. **Component overview and introduction** – giving details of the content for the unit
2. **Assessment for the component** – details of how you will be assessed
3. **Icebreaker activities** – for each learning outcome to help make a start with topics
4. **Clearly-labelled sections** – exactly covering the specification content for the component
5. **Student activities** – to promote knowledge and understanding, while developing research skills
6. **‘Did you know’ sections** – snippets of factual information to expand knowledge and promote discussion
7. **Charts, diagrams and images** – to add realism while learning about travel and tourism

Although this book is provided primarily for tutors and students studying the 2022 Pearson BTEC Level1/Level 2 Tech Award in Travel and Tourism qualification, it will be of use on similar Level 1/Level 2 courses, such as those offered by NCFE, WJEC/Eduqas and City & Guilds.

Access to more Travel and Tourism resources

Staff and students are welcome to visit our website www.tandtpublishing.co.uk and register for access to our expanding database of travel and tourism resources. You will find a wide range of free and subscription resources, including the latest industry news, videos and video clips, links to relevant websites, blank maps, tourism statistics, student activities, etc. Simply visit the website and click on ‘Free Resources’ on the top bar to learn more.

About the author

Bob Holland has been involved in the field of tourism education for more than 25 years, through working with a range of organisations to develop resources and provide professional development opportunities for teachers. He has worked as a Chief Examiner and Principal Moderator, and has been closely involved with the development of a number of Travel & Tourism specifications. He is the author of a number of popular Travel & Tourism textbooks and eBooks, including these for the [2022 BTEC Tech Award](#) and [WJEC Level 3 resources](#).

Also available

Student Activities and Exercises

Component 2: Customer Needs in Travel and Tourism

[Learn more](#)



Learning outcomes and component content

Learning outcome A : Demonstrate an understanding of how organisations identify customer needs and travel and tourism trends

Content

A1 : Types of market research

This section investigates how market research is used by travel and tourism organisations to collect information about their customers and their travel preferences. Research is also undertaken to investigate *trends* in travel and tourism.

Students will need to be aware of the range of primary and secondary research methods used by travel and tourism organisations, as well as the advantages and disadvantages of each method.

A2 : How travel and tourism organisations may use market research to identify customer needs and preferences

It is important to understand how the results of market research can be used by travel and tourism organisations. Students need to understand that travel and tourism organisations must have a clear understanding of the needs of their customers and how these may change over time.

Students will also learn about the concept of 'the market' and how markets can be segmented using different criteria. Additionally, students should understand how market research can be used to develop new products.

Finally, market research can be used to measure customer satisfaction and feedback in order to encourage loyalty and repeat business.

A3 : How travel and tourism organisations may use research to identify travel and tourism trends

Information relating to trends in travel and tourism can be found on a range of government and tourist board websites, as well as from commercial organisations.

Students should be aware of how patterns of tourism change over time. These changes, known as trends, can relate to variables such as the types of travel, the choice of destinations, the numbers of domestic, inbound or outbound tourists and the types of accommodation used.

Learning outcome B : Recognise how the needs and preferences of travel and tourism customers are met

Content

B1 : Customer needs and preferences

Travel and tourism organisations have to provide a range of products and services which meet the needs and preferences of their customers in order to be successful. However, it is not possible to meet the precise needs and preferences of every single customer.

Students need to appreciate the variety of needs and preferences shown by different types of customers, such as families, groups, couples and individuals. This section also looks into the wide

range of tourists' desirable preferences. Many of these, such as first-class travel or premium rooms, can be provided at an additional cost to the customer.

B2 : How travel and tourism organisations provide different products and services to meet customer needs and preferences

Travel and tourism organisations need to be aware of the likely needs of different types of customers. These needs may be met by providing service and assistance online and during the booking process, while the customer is travelling or away from home.

Students should be aware of the main needs and preferences of different customer groups and how tourism organisations provide different products and services.

B3 : Customer needs and different types of travel

There is a wide variety of types of travel, including leisure travel and business travel, as well as visiting friends and relatives (VFR travel). This section investigates how each of these can be subdivided further.

Students should be aware of the main needs and preferences of tourists undertaking travel for a variety of reasons. They should appreciate that the needs of different customer types are generalised and that a number of factors will determine the precise needs of each customer. For example, the needs of a family going on holiday with two teenage children will be different from those of a family with three children under the age of five.

B4 : Travel planning to meet customer needs and preferences

Travel plans can be produced by tour operators, travel agents and by tourists themselves. They include all the essential information and advice needed for a trip. The more complex a journey or holiday, the more information that is needed on the travel plan.

Students will need to be aware of the stages needed to produce a travel plan which meets the needs of the customer. They should understand that travel plans will vary a great deal according to the type of travel, destination(s) visited and the specific needs of the customer.

Component 2: Customer Needs in Travel and Tourism



What you will study in this component

A : How organisations identify customer needs and travel and tourism trends

B : How the needs and preferences of travel and tourism customers are met



Introduction to the component

Customers are at the heart of all travel and tourism organisations, whether they operate in the private, public or voluntary sector. This is particularly the case with commercial companies – quite simply, without customers a business wouldn't survive. So it's important for organisations to know exactly what customers are looking for when they choose their holidays, short breaks and other travel products.

In this component you will investigate the different types of market research used by travel and tourism organisations, plus the advantages and disadvantages of each. You will learn how travel and tourism organisations use the results of their market research to identify customer needs and preferences, as well as trends in travel and tourism.

You will also investigate how travel and tourism organisations improve their products and services, and introduce new ones, as a direct result of market research and customer feedback. In addition, you will learn how customer needs and preferences differ for different types of travel.

Finally, you will investigate travel planning, learning about different sources of information that can be used to produce a travel plan. You will also learn about what should be included in a travel plan for a customer.

This component will help you develop an understanding of how customer needs are identified and satisfied by travel and tourism organisations. You will develop transferable skills, such as research skills, which will support your progression to higher level vocational or academic qualifications.



Assessment for this component

This component is assessed by a non-exam internal assessment set by the awarding body (Pearson), which is marked by tutors in your school or college. It will be completed in approximately 5 hours of monitored preparation and 6 hours of supervised assessment. To assist students preparing for this assessment, an accompanying publication to this resource, [Customer Needs in Travel and Tourism – Student Activities and Exercises](#) is available from Travel and Tourism Publishing. This resource contains comprehension exercises based on the content of the module, further research exercises and 'mini assignments' to help students prepare for the internal assessment.

affair – the owner of a restaurant, for example, will regularly get informal feedback from guests on their opinion of the food, service and facilities, and will make adjustments as necessary.

Once a travel and tourism organisation has identified the need to carry out some market research, it has to decide whether to conduct primary research, secondary research or a mixture of the two. Primary research is collecting new data that is not already available from another source, for example a survey of visitors to a theme park. Secondary research is the analysis of data that is already available, either from an organisation's own records or from another source, such as a report from a research company or a tourist board's annual report.

Successful travel and tourism organisations undertake market research to identify changes in the needs and preferences of their customers and adjust their products and services accordingly. Market research can be undertaken by staff working for the organisation or by a specialist research agency.

Figure 1.1 shows the main market research methods used in travel and tourism.

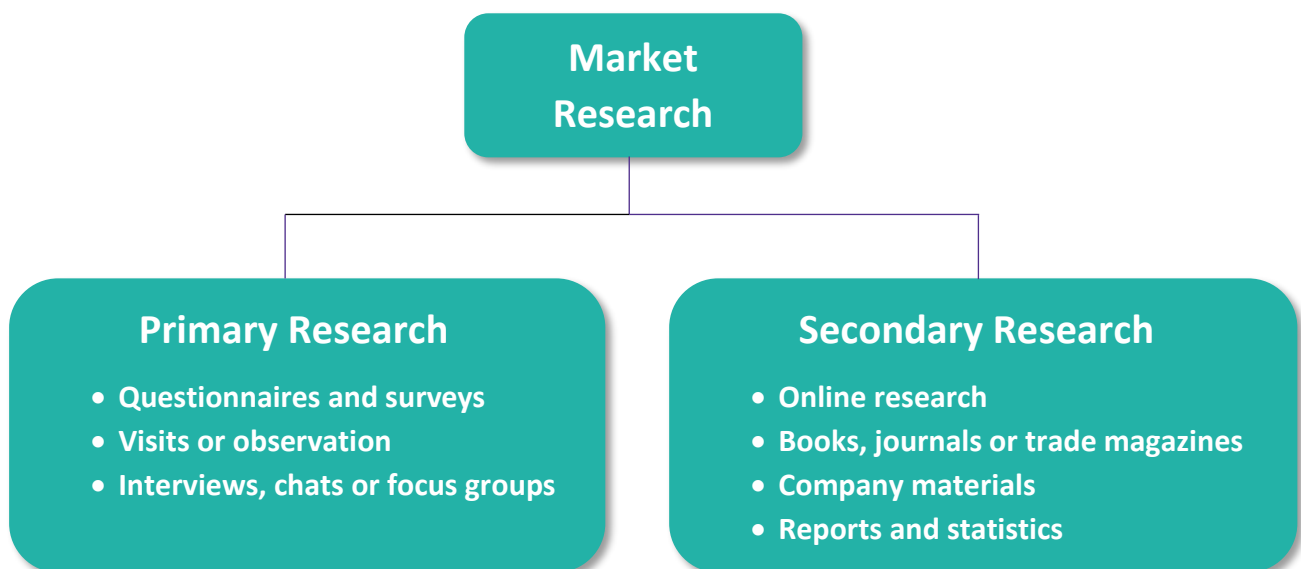


Figure 1.1 Market research methods in travel and tourism

Primary research methods

Primary research is collecting new data that is not already available from another source, for example a questionnaire survey given out by a holiday company to its customers on their return flight from a holiday.

Questionnaires and surveys

By far the most common method of collecting primary data in travel and tourism is by carrying out a survey, which usually involves completing a questionnaire to collect information and views from a cross-section of people. There are four main types of questionnaire survey that can be used to collect primary data:

- Face-to-face interview
- Telephone survey
- Postal survey
- Email/website/social media survey

A2 How travel and tourism organisations may use market research to identify customer needs and preferences

It is vital for any travel and tourism organisation to put the customer at the centre of all its activity and develop a customer-focused culture if it is to succeed. A company will use market research to gather certain basic information on its customers, such as:

1. How many are there?
2. What ages are they?
3. Are they male or female?
4. How do they travel to get to you?
5. What level of income do they have?
6. What is their attitude to your organisation?
7. How much do they spend with you?
8. Which competitor organisations do they use?

Travel and tourism is a very competitive industry, so organisations use market research data to find out as much as possible about their customers' needs, expectations and preferences. Primary data in particular can be expensive to collect and the results of surveys, interviews, focus groups and questionnaires should be used to help the organisation to recognise and meet the needs and expectations of its customers. In private sector organisations, using the information obtained from market research is designed to make the business more profitable, by developing products and services that customers want to buy. Public sector and voluntary sector organisations may also need to identify where they can improve the services they offer or to identify customers whose needs are not being met at the present time.

Types of customers and their needs

Travel and tourism customers can be put into broad categories such as leisure travellers, business travellers, couples and families. However, there are more specific groups than these, such as sports tourists, adventure tourists and solo travellers, each with their own specific needs. For example, the travel needs and preferences of a couple in their twenties looking for a skiing holiday are likely to be very different to those of an elderly couple going on a cruise.

A travel and tourism organisation may not be able to meet the exact needs and preferences of every one of its customers, but by knowing about the main types of customer needs, businesses can work towards satisfying the expectations of their main customer groups. For example, most tour operators providing summer holiday packages will have used market research to identify the facilities required by families with children of different ages. Some offer 'family-friendly' hotels which have a wide range of appropriate facilities to keep families happy.



Activity 6

Carry out some research into a visitor attraction close to you or in a nearby city. Make a list of the different types of customers who use the attraction and give details of what you think are their different needs. Make notes on how well the attraction caters for the needs of all its customers by providing suitable facilities and services.

This activity will give you practice in completing Learning Outcome A2

Did you know?

Blackpool Pleasure Beach is one of the UK's most popular tourist attractions with around 6 million visitors every year. The company carries out in-depth market research on its visitors and uses the data to segment its market. The under 15 and 15-25 age groups make up the bulk of customers to the attraction and this is reflected in the products on offer, e.g. the rides and fast-food catering. Around 80 per cent of visitors come from the C1, C2 and D socio-economic groups – the company uses this information to choose where to advertise the attraction, for example in the newspapers that these people read.

Markets can be segmented in a number of ways, for example by:

- **Age** – such as designing holidays to meet the needs of the 18-30 age group or people over the age of 55
- **Gender** – e.g. developing holidays just for women
- **Lifestyle** – for example, introducing new activity holidays for young people who live adventurous lifestyles
- **Geographical region** – e.g. all the people living in a particular postcode area of a city could be sent a holiday company's brochure
- **Income** – for example, designing short breaks for low-income families

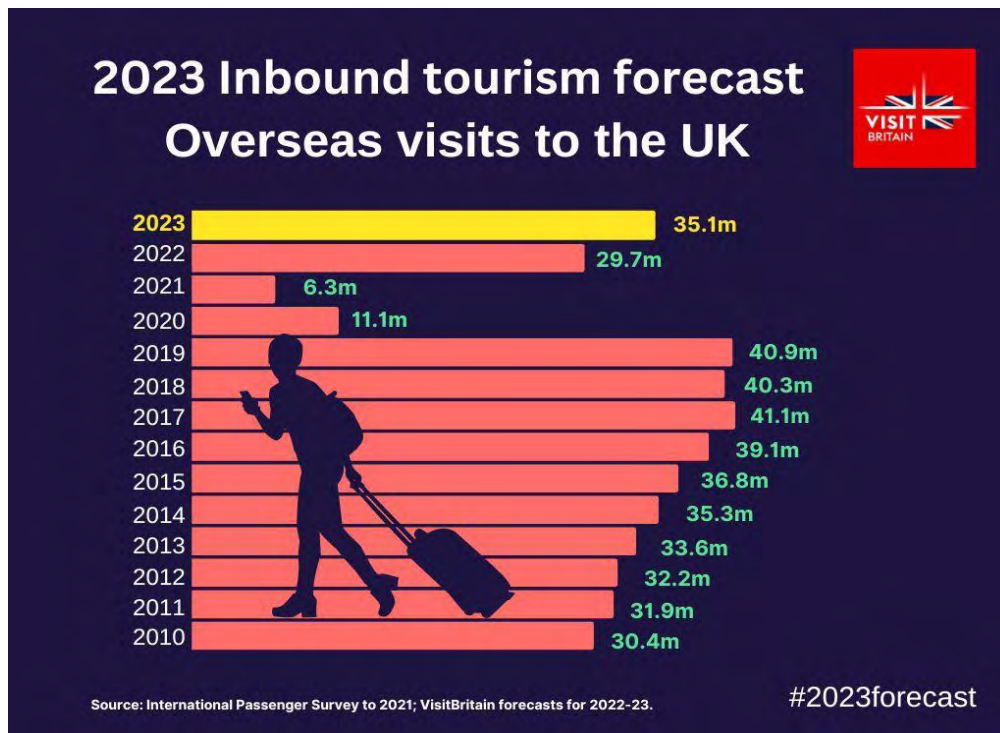
Age

The needs and preferences of people while on holidays and day trips change as they get older. Children look to their parents to provide safety, fun and excitement while they are young. Teenagers may venture on holiday alone for the first time, either in the UK or abroad. 'Empty nesters' are older people whose children have 'flown the nest'. Sometimes called the 'grey market', many have active lifestyles and higher incomes, meaning that they are important customers for travel and tourism companies.



The Dorset coast is a UK destination which is popular with older visitors.

severe drop in 2020 and 2021 due to the impact of the Covid-19 pandemic on international travel. The situation improved in 2022 to 29.7 million visits, with a forecast growth to 35.1 million for 2023.



This data can be used by travel and tourism companies which provide tours and other travel products for incoming tourists to the UK. For example, hotels, tour operators, airlines, travel guides, event organisers and car hire companies, can see a general upward trend in tourist numbers and use this information to invest in new products and services.

Secondary market research is used a great deal by travel and tourism organisations to discover changes in patterns of customer behaviour and general trends relating to many aspects of tourism, such as the types of destinations visited, changes to methods of travel, how much money is spent by tourists and the number of people travelling between different countries. This data can only be used to establish what has happened in the recent past – it is not possible to identify with any certainty what trends will continue into the future.

Did you know?

In 2020, as a result of the decreased demand for cruise holidays brought about by the Covid-19 pandemic, nearly 30 cruise ships were scrapped across the world.

It is important to remember that secondary data is often published some time after the information was collected, so can only be used as a 'snapshot' of the past. It should also be understood that the travel and tourism industry, at both the national and international levels, can be affected by global events which may have impacts on patterns of travel and customer behaviour, for example the dramatic reduction in domestic and international travel during the Covid-19 pandemic.

Using a variety of data sources, including the VisitBritain and Office for National Statistics (ONS) websites, travel and tourism organisations are able to identify a variety of trends and to make decisions about the range of products and services they provide to customers.

VFR tourism is an important reason for UK residents travelling overseas, with 23.5 million trips to visit friends and relatives recorded in 2019.

VFR tourism is also an important part of inbound tourism to the UK, with 12.4 million overseas visitors coming to the UK for this reason in 2019 out of a total of 40.9 million visits.

Figure 1.4 shows the trend in overseas visitors to the UK based on their reason for travel. As you can see, holidays are the most popular reason for travel followed by visiting friends and relatives, business and miscellaneous trips. All trips fell sharply from 2019 due to the Covid-19 pandemic. VFR tourism picked up the fastest of the reasons for travel in 2020 and 2021 as people were eager to visit loved ones after the Covid-19 travel lockdown.

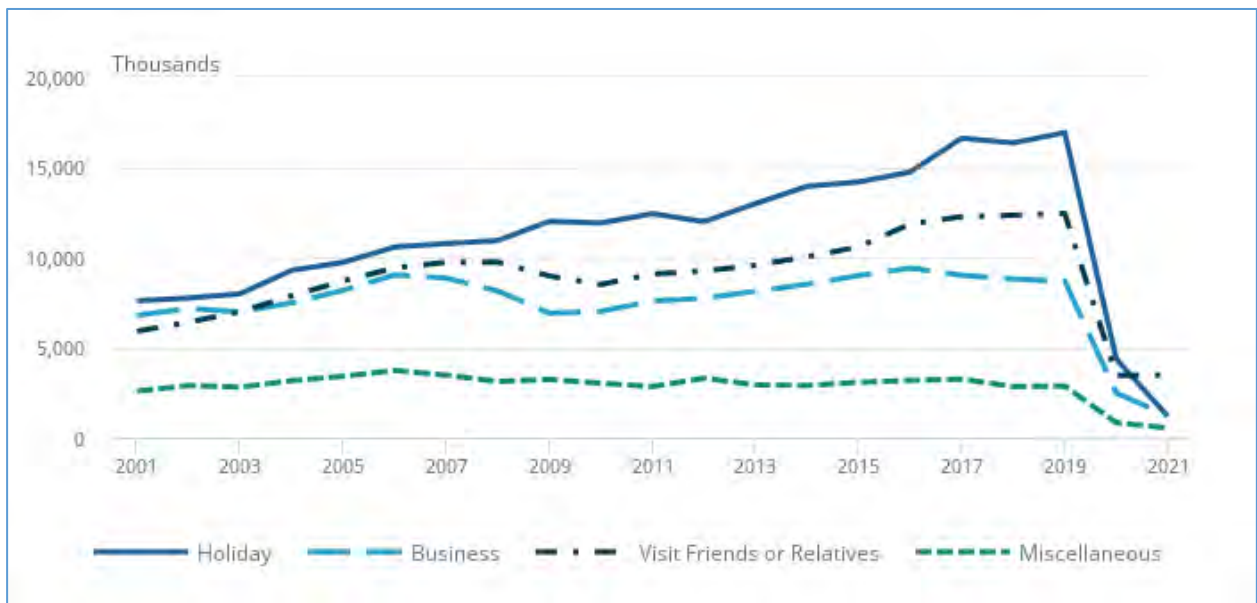


Figure 1.4 Overseas visitors to the UK by reason for travel from 2001 to 2021 (ONS data)

New and emerging destinations

The popularity of tourist destinations changes over time in response to a number of factors, such as exchange rate fluctuations, media attention, natural disasters, political upheaval, investment in tourism infrastructure, new flight routes, etc. Emerging destinations are ones that are being visited by increasing numbers of tourists.

Local and national governments are often keen to encourage more visitors to destinations since it brings extra money into the economy which can be used for other purposes, for example education, housing development and health care.

Travel and tourism organisations use market research to monitor the trends in visitor numbers to destinations. They will invest time and money into new travel products and services in destinations that are growing. For example, if data showed that fewer UK tourists were travelling to Italy and more to Greece, then UK tour operators might provide more package holidays to Greece and fewer to Italy.

Did you know?

The Azores have grown in popularity with European travellers in recent years as a winter sun tourist destination. 1.8 million visitors arrived in 2020, up from 1.7 million in 2019.

Tourists are also looking beyond 'sun, sand and sea' holidays for new experiences as part of their travel plans. There is a growing trend in health and wellness tourism – taking part in activities such as yoga are becoming popular while on holiday as a way of escaping from the pressures of modern life.



The Velocity 2 zip wire in North Wales (courtesy of Zip World).

Changing popularity of different destinations

Until about 50 years ago, most UK tourists had little choice but to visit one of the major British coastal resorts such as Bournemouth, Southend or Blackpool for their holidays. The growth in package holidays to Europe, followed by the opportunity to visit long-haul destinations throughout the world, has resulted in changing trends in the popularity and growth of tourist destinations.



Cornwall is a popular UK holiday destination (courtesy of VisitCornwall).

Levels of service standards

It is generally accepted in the travel and tourism industry that if tourists want a higher level of service or higher quality facilities they have to pay more. For example, it costs more to book a room in a five-star hotel than it does to stay in two-star accommodation. Most tourists understand how star ratings are used in the accommodation sector to provide customers with a guide to the overall quality and range of services provided by different organisations. All tourists accept that first-class air or rail travel costs far more than economy class, even though the flight or train journey lasts the same amount of time. Tourists are showing their preference by paying more money for a higher level of service, not for a faster journey.



A first-class cabin on the British Airways' 787 Dreamliner (courtesy of British Airways).

Some airlines offer passengers a variety of services and facilities on their flights, depending on the price paid for the ticket. With British Airways (BA), for example, passengers can choose from the following classes:

- Economy – named *Euro Traveller* for flights in the UK and Europe, and *World Traveller* on long-haul flights, these are the cheapest tickets.
- Premium economy – called *World Traveller Plus*, travelling in premium economy is a little more expensive, but guarantees a wider seat, more legroom and priority boarding in a separate part of the plane.
- Business – named *Club Europe* and *Club World*, business class travel at BA includes airport lounge access, dedicated check-in facilities and fully-flat beds on long-haul flights.
- First – this is the most expensive class on BA flights and offers passengers dedicated service staff, fine dining, exclusive lounges and a private suite on the plane.

Low-cost airlines, such as easyJet and Ryanair, don't currently offer different classes of travel, but may sell customers more flexible tickets for a higher price. They may also offer a range of extras which are added to the ticket price, such as speedy boarding, fast-track security, seat choices on the aircraft, meal choices and a variety of baggage options in the cabin and in the hold.

B3 Customer needs and different types of travel

People travel away from home for a wide variety of reasons and the travel and tourism industry has to provide a range of products and services to meet the needs and preferences of these people. Very often, as in the case of package holidays, tourists make choices relating to their needs, expectations and preferences when they plan and book their holiday. They choose the destination, length of stay, type of accommodation, departure airport, flight times, etc. that best suit their needs. The tour operator is then obliged to provide the holiday to the standard shown in a brochure or on a website/app.

The vast majority of travel and tourism organisations are commercial operators, which aim to make a profit by satisfying the needs of their customers. While it is difficult to cater for every single need that a customer may have, it is possible to make general comments about the likely needs of different types of customers undertaking different types of travel and tourism experiences. These are summarised in the following sections of this component.

Leisure travel

Leisure travel involves travelling for pleasure, enjoyment, relaxation or following a special interest. It can be divided into three distinct categories:

- Short breaks
- Holidays
- Special events

Short breaks

Short breaks at weekends and during weekdays have grown in popularity in recent years, both to destinations in the UK and abroad. As people have generally become more affluent and are living longer, short breaks offer the chance to escape everyday life and to do something different to 'recharge the batteries'.

Each customer's needs will vary when taking a short break, but it is possible to identify general needs and preferences for the most popular types of breaks – city breaks, countryside breaks and stag and hen parties – as described in the following table.

Type of short break	Customer needs and preferences
City breaks	Tourists visit cities where there are a variety of cultural and purpose-built attractions, including historic buildings and iconic attractions such as the London Eye, Edinburgh Castle or the Eiffel Tower. Tourists need good transport options to travel to the city and to get around once they arrive. There should be a range of accommodation and eating places to suit all tastes and budgets, preferably within easy reach of popular attractions and entertainment areas. It is important that tourists feel safe and secure while travelling in the city on their short break.